AD No.: AK-040-AD00-020 <u>Case File No.: A-028997</u>

Applicant: UNOCAL Corporation

Administrative Determination Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)

U.S. Department of the Interior - Bureau of Land Management Anchorage Field Office

A. Describe the Proposed Action

UNOCAL Corporation has proposed a re-drill of an existing oil/gas well in the Swanson River Unit. The SCU323-9 well is located on lease A-028997 in the NE¼SW¼ Section 9, T. 7 N., R. 9 W., S.M. The proposal is to plug back this well to a depth of 10,177 feet, mill a window (hole) in the existing casing and cement sheath, and directionally drill 877 feet of new well bore. Approximately 500 feet of the 877 feet of new well bore will be a horizontal completion in the Hemlock H-5 bench (hemlock H-5 sand). The true vertical depth of the well will be 10,415 feet. A 3.5 inch perforated liner will be run from 10,077 feet to the total measured depth of 11,054 feet. A tie back production string of 3.5 inch tubing will be run from 10,077 feet to the surface where it will be tied into the existing production infrastructure. The new well will be named the SCU23A-9. Surface estate is managed by the United States Fish and Wildlife Service (USFWS). The mineral estate is owned by the United States and managed by the BLM.

This drilling activity is necessary to further develop the known gas and oil reserves within the field and will provide additional reserves necessary to meet current demands. The drilling and completion of the SCU23A-9 well should require no more than 14 days.

Work is proposed to commence in mid June 2000. No new or additional surface disturbance outside of previously disturbed lands will be necessary. Drilling fluids for this well will consist of an invert (oil based) mud. All drilling fluids will be contained within a closed steel tank system that will utilize de-sanders and de-silters to recycle and re-use the drilling muds and fluids. All cuttings and produced fluids will be captured to containers and properly disposed of into an approved disposal well or the Swanson River Field Central Waste Facility. All drilling fluid liquids will be reclaimed and stored for future drilling operations. Septic/sewage/gray water will be self-contained on site and hauled away by contract disposal. Water for drilling will be obtained from the existing water well on the pad. Surface reclamation will be in accordance with the USFWS requirements.

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B. Land Use Plan (LUP) Conformance

The BLM has not developed a land use plan for surface or subsurface oil and gas development in the Kenai Peninsula area. However, this environmental analysis assesses nearly the same impacts to those of the Proposed Action described in EA No. AK-040-99-022 (Kenai Gas Field Development Wells 33-6 and 42-7, August 1999). EA No. AK-040-97-011 (Sterling Development Well (#223-28) Swanson River Field, June 1997) was also reviewed for comparable impacts. However, that EA analyzed a drilling operation involving new surface disturbances. Use of these EAs provides a basis for a reasoned decision on the proposal in accordance with federal regulations (Title 43 Code of Federal Regulations, Part 1610.8 (b)(1).

C. Identify applicable NEPA documents and other related documents that cover the Proposed Action.

This action has been reviewed and compared to the action described in EA No. AK-040-97-011 (Sterling Development Well (#223-28) Swanson River Field, June 1997) and EA No. AK-040-99-022 (Kenai Gas Field Development Wells 33-6 and 42-7, August 1999).

D. NEPA Adequacy Criteria

1. Is the current Proposed Action substantially the same action (or is a part of that action) as previously analyzed? Is the current Proposed Action located at a site specifically analyzed in an existing document?

The Proposed Action with respect to surface use is almost identical to those described in EA No. AK-040-99-022 (Kenai Gas Field Development Wells 33-6 and 42-7, August 1999). The Proposed Action will utilize the top 10,177 feet of the already existing 323-9 well negating any potential down hole impacts associated with drilling that portion of the well. EA No. AK-040-97-011 (Sterling Development Well (#223-28) Swanson River Field, June 1997) was also reviewed and considered. While the Proposed Action is nearly identical to that analyzed in EA No. AK-040-99-022, the existing environment is more accurately portrayed in EA No. AK-040-97-011.

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2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current Proposed Action, given current environmental concerns, interests, and resource values?

The range of alternatives analyzed in the existing NEPA analyses is the same that would be analyzed for the Proposed Action. The Proposed Action has two reasonable alternatives; allow or deny the re-drilling of the existing SCU 323-9 well to create the new SCU 23A-9 well. EA AK-040-99-022 is less than one year old and EA No. AK-040-97-011 is approximately 3 years old.

3. Is the existing analysis valid in light of any new information or circumstances?

There have been no known significant changes in the environment, no new information, or no significant changes in circumstances that would change the validity of the referenced NEPA analyses.

4. Do the methodology and analytical approach used in the existing NEPA document(s) continue to be appropriate for the current Proposed Action?

The methodology and analytical approach used in the referenced EAs remains valid. The level of detail is the same as would be required for the Proposed Action.

5. Are the direct and indirect impacts of the current Proposed Action substantially unchanged from those identified in the existing NEPA document(s)? Does the existing NEPA document analyze site-specific impacts related to the current Proposed Action?

The type of direct and indirect impacts analyzed in EA-AK-040-99-022 and EA No. AK-040-97-011 are identical or less than those anticipated for the Proposed Action. The affected environment and site specific impacts analyzed are nearly identical to those expected for the Proposed Action. The most significant difference is the fact that in the re-drill process 10,177 feet of an existing well bore will be utilized rather than drilling a new well bore.

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6. Are the cumulative impacts that would result from implementation of the current Proposed Action substantially unchanged from those analyzed in the existing NEPA document(s)?

The anticipated direct, indirect and cumulative impacts described in the referenced EAs are essentially the same as would reasonably be expected from the Proposed Action.

7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current Proposed Action?

The level of public involvement and agency reviews for the referenced EA is appropriate for the Proposed Action. The Application for Permit to Drill was initiated under the Notice of Staking process and posted for 30 days for public review. No comments were received.

E. Interdisciplinary Analysis: Identify those team members conducting or participating in the NEPA analysis and preparation of this worksheet.

See attached NEPA routing sheet and specialist's worksheets.

F. Conclusion

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan or is in accordance with federal regulations (Title 43 Code of Federal Regulations, Part 1610.8 (b)(1) and that the NEPA documentation fully covers the Proposed Action and constitutes BLM's compliance with the requirements of NEPA

/s/ J. David Dorris, Acting	06-16-00
Anchorage Field Manager	Date